Assembly Bill No. 1160

Passed the Assembly	September 14, 2001
	Chief Clerk of the Assembly
Passed the Senate	September 14, 2001
	zeereiung eg me zemme
This bill was receive	ed by the Governor this day of
	, 2001, at o'clockM.
	Private Secretary of the Governor

AB 1160

CHAPTER _____

An act to amend Section 827 of the Civil Code, and to amend Section 50517.5 of the Health and Safety Code, relating to housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1160, Florez. Farmworker housing.

(1) Existing law, operative until January 1, 2006, requires that if a landlord increases rent in excess of 10% of the amount of the rent charged to a tenant annually, as specified, the landlord shall provide an additional 30-days' notice, for a total of 60 days, prior to the effective date of the increase, except as specified.

This bill would create an exception to the provisions described above when the increase in rent is caused by a change in a tenant's income or family composition as determined by a recertification required by statute or regulation.

(2) The existing Joe Serna, Jr. Farmworker Housing Grant Program requires the Department of Housing and Community Development to make grants from the Joe Serna, Jr. Farmworker Housing Grant Fund, a continuously appropriated fund, to local public entities and nonprofit corporations for the construction or rehabilitation of housing for agricultural employees and their families. Grants may also be made for the purchase of the land in connection with the housing and for the construction and rehabilitation of related support facilities necessary to the housing. A grantee, for purposes of the program, may include, at the request of the public entity or nonprofit corporation, an individual homeowner receiving direct payment of a grant for rehabilitation who occupies the assisted housing and participates in the rehabilitation.

This bill would authorize the department to make grants or issue loans, or both, to local public entities, nonprofit corporations, and prescribed limited partnerships for the construction or rehabilitation of housing for agricultural employees and their families. It would also authorize, upon the request of a grantee, the department to issue loans at no more than 3% simple interest, whereby the principal and accumulated interest becomes due and

— 3 — AB 1160

payable upon completion of the loan term. The bill would revise the definition of a grantee, as specified. By expanding the purposes for which moneys in a continuously appropriated fund may be expended, this bill would make an appropriation.

(3) Existing law authorizes the director of the department to contract with specified public and private entities to procure or construct housing or shelter, to obtain services for migratory agricultural workers in the fields of education and sanitation, and to obtain daycare services for the children of those workers.

This bill would require all moneys appropriated to the department for purposes of the above-described provisions, as well as all moneys received by the department from the occupants of housing or shelter provided pursuant to these provisions, to be deposited within the Joe Serna, Jr. Farmworker Housing Grant Fund for the purposes of these provisions, thereby expanding the purposes for which moneys in a continuously appropriated fund may be expended.

(4) Existing law, the Budget Act of 2001, requires grant assistance provided pursuant to the existing Emergency Housing and Assistance Program to be used to establish new emergency shelter or transitional housing programs, among other things.

This bill would authorize this grant assistance to be used for capital development grants.

- (5) This bill would incorporate additional changes to Section 50517.5 of the Health and Safety Code proposed by AB 807, to be operative if AB 807 and this bill are both enacted and become effective on or before January 1, 2002, and this bill is enacted last.
- (6) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 827 of the Civil Code, as amended by Section 2 of Chapter 680 of the Statutes of 2000, is amended to read:

827. (a) Except as provided in subdivision (b), in all leases of lands or tenements, or of any interest therein, from week to week, month to month, or other period less than a month, the landlord may, upon giving notice in writing to the tenant, in the manner

AB 1160 — 4 —

prescribed by Section 1162 of the Code of Civil Procedure, change the terms of the lease to take effect, as to tenancies for less than one month, upon the expiration of a period at least as long as the term of the hiring itself, and, as to tenancies from month to month, to take effect at the expiration of not less than 30 days, but if that change takes effect within a rental term, the rent accruing from the first day of the term to the date of that change shall be computed at the rental rate which obtained immediately prior to that change; provided, however, that it shall be competent for the parties to provide by an agreement in writing that a notice changing the terms thereof may be given at any time not less than seven days before the expiration of a term, to be effective upon the expiration of the term.

The notice, when served upon the tenant, shall of itself operate and be effectual to create and establish, as a part of the lease, the terms, rents, and conditions specified in the notice, if the tenant shall continue to hold the premises after the notice takes effect.

- (b) (1) In all leases of a residential dwelling, or of any interest therein, from week to week, month to month, or other period less than a month, the landlord may increase the rent provided in the lease or rental agreement, upon giving written notice to the tenant, as follows, by either of the following procedures:
 - (A) By delivering a copy to the tenant personally.
- (B) By serving a copy by mail under the procedures prescribed in Section 1013 of the Code of Civil Procedure.
- (2) If the proposed rent increase for that tenant is 10 percent or less of the rental amount charged to that tenant at any time during the 12 months prior to the effective date of the increase, either in and of itself or when combined with any other rent increases for the 12 months prior to the effective date of the increase, the notice shall be delivered at least 30 days prior to the effective date of the increase, and subject to Section 1013 of the Code of Civil Procedure if served by mail.
- (3) For an increase in rent greater than the amount described in paragraph (2), the minimum notice period required pursuant to that paragraph shall be increased by an additional 30 days, and subject to Section 1013 of the Code of Civil Procedure if served by mail. This paragraph shall not apply to an increase in rent caused by a change in a tenant's income or family composition as determined by a recertification required by statute or regulation.

__ 5 __ AB 1160

- (c) If a state or federal statute, state or federal regulation, recorded regulatory agreement, or contract provides for a longer period of notice regarding a rent increase than that provided in subdivision (a) or (b), the personal service or mailing of the notice shall be in accordance with the longer period.
- (d) This section shall be operative only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, which is enacted on or before January 1, 2006, deletes or extends that date.
- SEC. 2. Section 50517.5 of the Health and Safety Code is amended to read:
- 50517.5. (a) (1) The department shall establish the Joe Serna, Jr. Farmworker Housing Grant Program under which, subject to the availability of funds therefor, grants or loans, or both, shall be made to local public entities, nonprofit corporations, and limited partnerships, for the construction or rehabilitation of housing for agricultural employees and their families. Under this program, grants or loans, or both, may also be made for the cost of acquiring the land and any building thereon in connection with housing assisted pursuant to this section and for the construction and rehabilitation of related support facilities necessary to the housing. In its administration of this program, the department shall disburse grants or loans, or both, to the local public entities, nonprofit corporations, or limited partnerships or may, at the request of the local public entity, nonprofit corporation, or limited partnership that sponsors and supervises the rehabilitation or construction program, disburse grant funds to agricultural employees who are participants in a rehabilitation or construction program sponsored and supervised by the local public entity, nonprofit corporation, or limited partnership. No part of a grant or loan made pursuant to this section may be used for project organization or planning.
- (2) Notwithstanding any other provision of this chapter, upon the request of a grantee, if funds are used in conjunction with low income housing tax credits, the program also may loan funds to a grantee at no more than 3 percent simple interest. Principal and accumulated interest is due and payable upon completion of the term of the loan. For any loan made pursuant to this subdivision, the performance requirements of the lien shall remain in effect for a period of no less than the original term of the loan.

AB 1160 — 6 —

- (3) The program shall be administered by the Director of Housing and Community Development and officers and employees of the department as he or she may designate.
- (4) It is the intent of the Legislature that, in administering the program, the director shall facilitate, to the greatest extent possible, the construction and rehabilitation of permanent dwellings for year-round occupancy and ownership by agricultural employees.
- (b) (1) The Joe Serna, Jr. Farmworker Housing Grant Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department for making grants or loans, or both, pursuant to this section, for purposes of Chapter 8.5 (commencing with Section 50710), and for costs incurred by the department in administering these programs.
 - (2) There shall be paid into the fund the following:
- (A) Any moneys appropriated and made available by the Legislature for purposes of the fund.
- (B) Any moneys that the department receives in repayment or return of grants or loans from the fund, including any interest therefrom.
- (C) Any other moneys that may be made available to the department for the purposes of this chapter from any other source or sources
- (D) All moneys appropriated to the department for the purposes of Chapter 8.5 (commencing with Section 50710) and any moneys received by the department from the occupants of housing or shelter provided pursuant to Chapter 8.5 (commencing with Section 50710). These moneys shall be separately accounted for from the other moneys deposited in the fund.
- (c) Grants and loans made pursuant to this section shall be matched by grantees with at least equal amounts of federal moneys, other cash investments, or in-kind contributions.
- (d) With respect to the supervision of grantees, the department shall do the following:
- (1) Establish minimum capital reserves to be maintained by grantees.
- (2) Fix and alter from time to time a schedule of rents that may be necessary to provide residents of housing assisted pursuant to this section with affordable rents to the extent consistent with the

— 7 — AB 1160

maintenance of the financial integrity of the housing project. No grantee shall increase the rent on any unit constructed or rehabilitated with the assistance of funds provided pursuant to this section without the prior permission of the department, which shall be given only if the grantee affirmatively demonstrates that the increase is required to defray necessary operating costs or avoid jeopardizing the fiscal integrity of the housing project.

- (3) Determine standards for, and control selection by grantees of, tenants and subsequent purchasers of housing constructed or rehabilitated with the assistance of funds provided pursuant to this section.
- (4) (A) Require as a condition precedent to a grant or loan, or both, of funds that the applicant have site control that is satisfactory to the department; that the grantee be record owner in fee of the assisted real property or provide other security that is satisfactory to the department to ensure compliance with the construction, financial and program obligations; and that the grantee shall have entered into a written agreement with the department binding upon the grantee and successors in interest to the grantee. The agreement shall include the conditions under which the funds advanced may be repaid. The agreement shall include provisions for a lien on the assisted real property in favor of the State of California for the purpose of securing performance of the agreement. The agreement shall also provide that the lien shall endure until released by the Director of Housing and Community Development.
- (B) In the event that funds granted or loaned pursuant to this section constitute less than 25 percent of the total development cost or value, whichever is applicable, of a project assisted under this section, the department may adopt, by regulation, criteria for determining the number of units in a project to which the restrictions on occupancy contained in the agreement apply. In no event may these regulations provide for the application of the agreement to a percentage of units in a project that is less than the percentage of total development costs that funds granted or loaned pursuant to this section represent.
- (C) Contemporaneously with the disbursement of the initial funds to a grantee, the department shall cause to be recorded, in the office of the county recorder of the county in which the assisted real property is located, a notice of lien executed by the Director

AB 1160 — 8 —

of Housing and Community Development. The notice of lien shall refer to the agreement required by this paragraph for which it secures and it shall include a legal description of the assisted real property that is subject to the lien. The notice of lien shall be indexed by the recorder in the Grantor Index to the name of the grantee and in the Grantee Index to the name of the State of California. Department of Housing and Community Development. The department shall adopt by regulation criteria for the determination of the lien period. This regulation shall take into account whether the property is held by multifamily rental, single-family ownership, or cooperative ownership and whether it is new construction or rehabilitative construction.

- (D) Pursuant to regulations adopted by the department, the department may execute and cause to be recorded in the office of the recorder of the county in which a notice of lien has been recorded, a subordination of the lien. The regulations adopted by the department shall provide that any subordination of the lien shall not jeopardize the security interest of the state and shall further the interest of farmworker housing. The recitals contained in the subordination shall be conclusive in favor of any bona fide purchaser or lender relying thereon.
- (5) Regulate the terms of occupancy agreements or resale controls, to be used in housing assisted pursuant to this section.
- (6) Provide bilingual services and publications, or require grantees to do so, as necessary to implement the purposes of this section.
- (7) The agreement between the department and the grantee shall provide, among other things, that both of the following occur:
- (A) Upon the sale or conveyance of the real property, or any part thereof, for use other than for agricultural employee occupancy, the grantee or its successors shall, as a condition for the release of the lien provided pursuant to paragraph (4), repay to the fund the department's grant and loan funds.
- (B) Upon the sale or conveyance of the real property or any part thereof for continued agricultural employee occupancy, the transferee shall assume the obligation of the transferor and the real property shall be transferred to the new owner; provided that the transferee agrees to abide by the agreement entered into between the transferor and the department and that the new owner takes the property subject to the lien provided pursuant to paragraph (4),

—9— AB 1160

except that this lien shall, at the time of the transfer of the property to the new owner, be extended for an additional lien period determined by the department pursuant to paragraph (4), and the new owner shall not be credited with the lien period that had run from the time the transferor had acquired the property to the time of transfer to the new owner, unless the department determines that it is in the best interest of the state and consistent with the intent of this section to so credit the lien period to the new owner. However, the lien shall have priority as of the recording date of the lien for the original grantee, pursuant to paragraph (4).

- (e) The department may do any of the following with respect to grantees:
- (1) Through its agents or employees enter upon and inspect the lands, buildings, and equipment of a grantee, including books and records, at any time before, during, or after construction or rehabilitation of units assisted pursuant to this section. However, there shall be no entry or inspection of any unit that is occupied, whether or not any occupant is actually present, without the consent of the occupant.
- (2) Supervise the operation and maintenance of any housing assisted pursuant to this section and order repairs as may be necessary to protect the public interest or the health, safety, or welfare of occupants of the housing.
- (f) The department shall include in its annual report required by Section 50408, a current report of the Joe Serna, Jr. Farmworker Housing Grant Program. The report shall include, but need not be limited to, (1) the number of households assisted, (2) the average income of households assisted and the distribution of annual incomes among assisted households, (3) the rents paid by households assisted, (4) the number and amount of grants or loans, or both, made to each grantee in the preceding year, (5) the dollar value of funding derived from sources other than the state for each project receiving a grant or loan, or both, under this section, and an identification of each source, (6) recommendations, as needed, to improve operations of the program and respecting the desirability of extending its application to other groups in rural areas identified by the department as having special need for state housing assistance, and (7) the number of manufactured housing units assisted under this section.
 - (g) As used in this section:

AB 1160 — 10 —

- (1) "Agricultural employee" has the same meaning as specified in subdivision (b) of Section 1140.4 of the Labor Code, but also includes any person who works at a packing shed for a labor contractor or other entity that contracts with an agricultural employer in order to perform services in connection with handling, drying, packing, or storing any agricultural commodity in its raw or natural state, whether or not this person is encompassed within the definition specified in subdivision (b) of Section 1140.4 of the Labor Code.
- (2) "Grantee" means the local public entity, nonprofit corporation, or limited partnership that is awarded the grant or loan, or both, under this section, and, at the request thereof, may include an agricultural employee receiving direct payment of a grant for rehabilitation under this section who occupies the assisted housing both before and after the rehabilitation and may include an agricultural employee receiving direct payment of a grant for construction under this section who will occupy the assisted housing and who is a participant in a rehabilitation or construction program sponsored and supervised by a local public entity, nonprofit corporation, or limited partnership.
- (3) "Housing" may include, but is not necessarily limited to, conventionally constructed units and manufactured housing.
- (4) "Limited partnership" means a limited partnership where all of the general partners are nonprofit mutual or public benefit corporations.
- (h) The department may offer the assistance offered pursuant to this chapter in any area where there is a substantial unmet need for farmworker housing.
- SEC. 2.5. Section 50517.5 of the Health and Safety Code is amended to read:
- 50517.5. (a) (1) The department shall establish the Joe Serna, Jr. Farmworker Housing Grant Program under which, subject to the availability of funds therefor, grants or loans, or both, shall be made to local public entities, nonprofit corporations, and limited partnerships, for the construction or rehabilitation of housing for agricultural employees and their families. Under this program, grants or loans, or both, may also be made for the cost of acquiring the land and any building thereon in connection with housing assisted pursuant to this section and for the construction and rehabilitation of related support facilities necessary to the

— 11 — AB 1160

housing. In its administration of this program, the department shall disburse grants or loans, or both, to the local public entities, nonprofit corporations, or limited partnerships or may, at the request of the local public entity, nonprofit corporation, or limited partnership that sponsors and supervises the rehabilitation or construction program, disburse grant funds to agricultural employees who are participants in a rehabilitation or construction program sponsored and supervised by the local public entity, nonprofit corporation, or limited partnership. No part of a grant or loan made pursuant to this section may be used for project organization or planning.

- (2) Notwithstanding any other provision of this chapter, upon the request of a grantee, if funds are used in conjunction with low-income housing tax credits, the program also may loan funds to a grantee at no more than 3 percent simple interest. Principal and accumulated interest is due and payable upon completion of the term of the loan. For any loan made pursuant to this subdivision, the performance requirements of the lien shall remain in effect for a period of no less than the original term of the loan.
- (3) The program shall be administered by the Director of Housing and Community Development and officers and employees of the department as he or she may designate.
- (b) (1) The Joe Serna, Jr. Farmworker Housing Grant Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department for making grants or loans, or both, pursuant to this section and Section 50517.10, for purposes of Chapter 8.5 (commencing with Section 50710), and for costs incurred by the department in administering these programs.
 - (2) There shall be paid into the fund the following:
- (A) Any moneys appropriated and made available by the Legislature for purposes of the fund.
- (B) Any moneys that the department receives in repayment or return of grants or loans from the fund, including any interest therefrom.
- (C) Any other moneys that may be made available to the department for the purposes of this chapter from any other source or sources.

AB 1160 — 12 —

- (D) All moneys appropriated to the department for the purposes of Chapter 8.5 (commencing with Section 50710) and any moneys received by the department from the occupants of housing or shelter provided pursuant to Chapter 8.5 (commencing with Section 50710). These moneys shall be separately accounted for from the other moneys deposited in the fund.
- (c) Grants and loans made pursuant to this section shall be matched by grantees with at least equal amounts of federal moneys, other cash investments, or in-kind contributions.
- (d) With respect to the supervision of grantees, the department shall do the following:
- (1) Establish minimum capital reserves to be maintained by grantees.
- (2) Fix and alter from time to time a schedule of rents that may be necessary to provide residents of housing assisted pursuant to this section with affordable rents to the extent consistent with the maintenance of the financial integrity of the housing project. No grantee shall increase the rent on any unit constructed or rehabilitated with the assistance of funds provided pursuant to this section without the prior permission of the department, which shall be given only if the grantee affirmatively demonstrates that the increase is required to defray necessary operating costs or avoid jeopardizing the fiscal integrity of the housing project.
- (3) Determine standards for, and control selection by grantees of, tenants and subsequent purchasers of housing constructed or rehabilitated with the assistance of funds provided pursuant to this section.
- (4) (A) Require as a condition precedent to a grant or loan, or both, of funds that the applicant have site control that is satisfactory to the department; that the grantee be record owner in fee of the assisted real property or provide other security that is satisfactory to the department to ensure compliance with the construction, financial, and program obligations; and that the grantee shall have entered into a written agreement with the department binding upon the grantee and successors in interest to the grantee. The agreement shall include the conditions under which the funds advanced may be repaid. The agreement shall include provisions for a lien on the assisted real property in favor of the State of California for the purpose of securing performance of the agreement. The agreement shall also provide that the lien

— 13 — AB 1160

shall endure until released by the Director of Housing and Community Development.

- (B) In the event that funds granted or loaned pursuant to this section constitute less than 25 percent of the total development cost or value, whichever is applicable, of a project assisted under this section, the department may adopt, by regulation, criteria for determining the number of units in a project to which the restrictions on occupancy contained in the agreement apply. In no event may these regulations provide for the application of the agreement to a percentage of units in a project that is less than the percentage of total development costs that funds granted or loaned pursuant to this section represent.
- (C) Contemporaneously with the disbursement of the initial funds to a grantee, the department shall cause to be recorded, in the office of the county recorder of the county in which the assisted real property is located, a notice of lien executed by the Director of Housing and Community Development. The notice of lien shall refer to the agreement required by this paragraph for which it secures and it shall include a legal description of the assisted real property that is subject to the lien. The notice of lien shall be indexed by the recorder in the Grantor Index to the name of the grantee and in the Grantee Index to the name of the State of Department of Housing California, and Community Development. The department shall adopt by regulation criteria for the determination of the lien period. This regulation shall take into account whether the property is held by multifamily rental, single-family ownership, or cooperative ownership and whether it is new construction or rehabilitative construction.
- (D) Pursuant to regulations adopted by the department, the department may execute and cause to be recorded in the office of the recorder of the county in which a notice of lien has been recorded, a subordination of the lien. The regulations adopted by the department shall provide that any subordination of the lien shall not jeopardize the security interest of the state and shall further the interest of farmworker housing. The recitals contained in the subordination shall be conclusive in favor of any bona fide purchaser or lender relying thereon.
- (5) Regulate the terms of occupancy agreements or resale controls, to be used in housing assisted pursuant to this section.

AB 1160 — 14 —

- (6) Provide bilingual services and publications, or require grantees to do so, as necessary to implement the purposes of this section.
- (7) The agreement between the department and the grantee shall provide, among other things, that both of the following occur:
- (A) Upon the sale or conveyance of the real property, or any part thereof, for use other than for agricultural employee occupancy, the grantee or its successors shall, as a condition for the release of the lien provided pursuant to paragraph (4), repay to the fund the department's grant and loan funds.
- (B) Upon the sale or conveyance of the real property or any part thereof for continued agricultural employee occupancy, the transferee shall assume the obligation of the transferor and the real property shall be transferred to the new owner; provided that the transferee agrees to abide by the agreement entered into between the transferor and the department and that the new owner takes the property subject to the lien provided pursuant to paragraph (4), except that this lien shall, at the time of the transfer of the property to the new owner, be extended for an additional lien period determined by the department pursuant to paragraph (4), and the new owner shall not be credited with the lien period that had run from the time the transferor had acquired the property to the time of transfer to the new owner, unless the department determines that it is in the best interest of the state and consistent with the intent of this section to so credit the lien period to the new owner. However, the lien shall have priority as of the recording date of the lien for the original grantee, pursuant to paragraph (4).
- (e) The department may do any of the following with respect to grantees:
- (1) Through its agents or employees enter upon and inspect the lands, buildings, and equipment of a grantee, including books and records, at any time before, during, or after construction or rehabilitation of units assisted pursuant to this section. However, there shall be no entry or inspection of any unit that is occupied, whether or not any occupant is actually present, without the consent of the occupant.
- (2) Supervise the operation and maintenance of any housing assisted pursuant to this section and order repairs as may be necessary to protect the public interest or the health, safety, or welfare of occupants of the housing.

— 15 — AB 1160

- (f) The department shall include in its annual report required by Section 50408, a current report of the Joe Serna, Jr. Farmworker Housing Grant Program. The report shall include, but need not be limited to, (1) the number of households assisted, (2) the average income of households assisted and the distribution of annual incomes among assisted households, (3) the rents paid by households assisted, (4) the number and amount of grants or loans, or both, made to each grantee in the preceding year, (5) the dollar value of funding derived from sources other than the state for each project receiving a grant or loan, or both, under this section, and an identification of each source, (6) recommendations, as needed, to improve operations of the program and respecting the desirability of extending its application to other groups in rural areas identified by the department as having special need for state housing assistance, and (7) the number of manufactured housing units assisted under this section.
 - (g) As used in this section:
- (1) "Agricultural employee" has the same meaning as specified in subdivision (b) of Section 1140.4 of the Labor Code, but also includes any person who works at a packing shed for a labor contractor or other entity that contracts with an agricultural employer in order to perform services in connection with handling, drying, packing, or storing any agricultural commodity in its raw or natural state, whether or not this person is encompassed within the definition specified in subdivision (b) of Section 1140.4 of the Labor Code.
- (2) "Grantee" means the local public entity, nonprofit corporation, or limited partnership that is awarded the grant or loan, or both, under this section, and, at the request thereof, may include an agricultural employee receiving direct payment of a grant for rehabilitation under this section who occupies the assisted housing both before and after the rehabilitation and may include an agricultural employee receiving direct payment of a grant for construction under this section who will occupy the assisted housing and who is a participant in a rehabilitation or construction program sponsored and supervised by a local public entity, nonprofit corporation, or limited partnership.
- (3) "Housing" may include, but is not necessarily limited to, conventionally constructed units and manufactured housing.

AB 1160 — 16 —

- (4) "Limited partnership" means a limited partnership where all of the general partners are nonprofit mutual or public benefit corporations.
- (h) The department may provide the assistance offered pursuant to this chapter in any area where there is a substantial unmet need for farmworker housing.
- SEC. 3. Notwithstanding the limitations contained in Provision 1 of Item 2240-105-0001 of the Budget Act of 2001, funds provided for use in the Emergency Housing and Assistance Program (Chapter 11.5 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code) may be used for capital development grants specified in paragraph (2) of subdivision (a) of Section 50803 of the Health and Safety Code. In addition, the applicable funding limitations for this item shall be as set forth in subdivision (c) of Section 50802.5 of the Health and Safety Code.
- SEC. 4. Section 2 of this bill incorporates amendments to Section 50517.5 of the Health and Safety Code proposed by both this bill and AB 807. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2002, but this bill becomes operative first, (2) each bill amends Section 50517.5 of the Health and Safety Code, and (3) this bill is enacted after AB 807, in which case Section 50517.5 of the Health and Safety Code, as amended by Section 2 of this bill, shall remain operative only until the operative date of AB 807, at which time Section 2.5 of this bill shall become operative.
- SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to expand housing opportunities for farmworkers and their families, it is necessary that this act take effect immediately.

1	Approved		,	2001
			Governor	